

## Economic Empowerment Subcommittee Draft Recommendations

### FINANCIAL REPARATIONS

**Objective 1: Create a comprehensive suite of financial reparations that is made immediately available to those who qualify under the eligibility parameters set forth by the Committee.**

#### **Actions**

**1.1 Provide a one-time, lump sum payment of \$5 million to each eligible person.**

*Rationale: A lump sum payment would compensate the affected population for the decades of harms that they have experienced, and will attempt to make amends for the economic and opportunity loss that Black San Franciscans have endured, collectively, as the result of both intentional and unintended harms perpetuated by City policy.*

**1.2 Subsidize African-American incomes to reflect the Area Median Income (AMI) annually for at least 246 years (\$97,000 in 2022<sup>1</sup>).**

*Rationale: Racial disparities across all metrics have led to a significant racial wealth gap in the City of San Francisco. By elevating incomes to match AMI, people have a better chance of being able to afford housing and achieving a better quality of life.*

**1.3 Provide access to a spectrum of financial education, from beginning to advanced.**

*Rationale: While traditional financial education emphasizes basic financial literacy, there is a need to provide a 'ladder' of financial education that encompasses all levels of financial knowledge so that resources match the broad spectrum of financial levels that exist throughout the community.*

**1.4 Move forward with the proposed public bank framework<sup>2</sup> to ensure that underbanked participants have fair options and expanded access to credit, loans, financing and other tools for leveraging financial power.**

*Rationale: The ongoing quest for a public bank provides an opportunity for the City to offer options for populations that have historically been denied access to traditional financial institutions. Similar to credit unions, a public bank can be a safety net to ensure that those on*

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<sup>1</sup>

<https://sfmohcd.org/sites/default/files/Documents/MOH/BMR%20Ownership/2022%20AMI-IncomeLimits.pdf>

<sup>2</sup> A public bank for San Francisco is moving forward, this week.

<https://48hills.org/2022/05/a-public-bank-for-san-francisco-is-moving-forward-this-week/>

*the financial margins have access to competitive rates and can access traditional pathways to build financial resilience.*

**1.5 Finance a comprehensive debt forgiveness program that clears all educational, personal, credit card, payday loans, etc.**

Rationale: Black households are more likely to hold costlier, riskier debt, and are more likely to have outstanding student loan debt.<sup>3</sup> When this is combined with lower household incomes, it can create an inescapable cycle of debt. Eliminating this debt gives Black households an opportunity to build wealth.

**1.6 Retirement planning services, and services available to augment current retirees' financial state.**

Rationale: Those who have already reached retirement age have undoubtedly endured racial discrimination

**1.7 Tax credits for those who qualify for Reparations: Payroll tax, business tax, property tax, etc.**

## **RENTAL HOUSING AND HOMEOWNERSHIP**

[Certificate of Preference Interim Demands](#)

[Housing/Homeownership Interim Demands](#)

**Objective 1: Ensure that all members of the affected community have access to affordable, quality housing options at all income levels.**

### **Actions**

#### **Rental Housing**

**1.1 The Mayor's Office of Housing and Community Development (MOHCD) should remove barriers to qualification for subsidized and Below Market Rate (BMR) rental units; MOHCD should offer first choice for rental units to those who qualify for Reparations.**

Rationale: Housing is a human right, and increasingly, even BMR units are unattainable for renters because affordability thresholds are too high to be affordable to those with moderate or low incomes. By removing these barriers and/or subsidizing rents for those who qualify, the City creates expanded opportunities for people to access rental housing.

## **Homeownership**

### **1.2 Guarantee continued funding for the Dream Keeper Down Payment Assistance Loan Program (DK-DALP) and convert the program from a loan to a forgivable grant.**

*Rationale: DK-DALP is an innovative program that builds on the City's standard DALP program and expands market-rate homeownership opportunities for Black San Franciscans. By eliminating the repayment requirements for this program and converting it from a 30 year no interest, no payment loan into a fully-forgivable grant, the City can make a meaningful investment to retaining and continuing to build its African American population. It also represents a commitment to addressing the loss in homeownership and household wealth that occurred as a result of displacement caused by Urban Renewal in the 1960s and 1970s.*

### **1.3 The City and County of San Francisco should cover additional monthly costs (e.g. Homeowners Association fees) for anyone for whom housing costs exceed 30% of monthly income.**

*Rationale: Many available homeownership opportunities are in condominiums or tenancy-in-common (TIC) buildings that incur additional monthly costs in addition to the standard Principle, Interest, Taxes and Insurance costs. Homeownership Association (HOA) fees can add hundreds of dollars to monthly costs and act as an affordability barrier for property ownership. This recommendation would allow more people to access these housing opportunities by minimizing financial barriers.*

### **1.4 The City and County of San Francisco should underwrite costs associated with refinancing existing mortgage loans.**

*Rationale: Mortgage refinancing allows homeowners to lower their monthly mortgage costs. Assuming the costs associated with this expands this opportunity to a larger pool.*

### **1.5 The City and County of San Francisco and MOHCD should offer grants for home maintenance and repair costs.**

*Rationale: The existing [Senior Home Repair Program](#) offers a model for maintenance and repair grants. This program can be expanded for all homeowners who qualify for Reparations.*

### **1.6 MOHCD should address and remove barriers built into the BMR program that limits wealth-building potential**

### **1.7 Convert public housing units into condominiums with a \$1 buy-in for qualifying residents.**

***1.8 Create a market of culturally relevant affordable housing development professionals, establish programs that give preference to developments that build units for 50-80% AMI, including fast track for approvals.***

***1.9 Offer moving stipend for Certificate of Preference (COP) holders for all housing.***

## **SPATIAL JUSTICE, COOPERATIVES AND COMMUNITY SPACE OWNERSHIP**

### Housing Cooperative Interim Demands

**Objective 1: Support and promote collective ownership models and “nontraditional” pathways to ownership.**

#### **Actions**

***1.1 Make renovation grants available to existing Black-led housing cooperatives.***

***1.2 Incentivize Black homeownership within Black-led housing cooperatives by subsidizing purchases in cooperative communities.***

**Objective 2: Create and sustain thriving, complete neighborhoods that include commercial activity, open spaces, safe streets and affordable housing for Black San Franciscans, in order to address the impact and legacy of displacement in the Redevelopment Era.**

**Objective 3: Create vibrant community hubs and support cultural institutions centered on the Black community (e.g. 1550 Evans, Fillmore Heritage center, African American Arts and Culture Complex, SF African American Arts and Culture District, others identified through community outreach)**

### Fillmore Heritage Center Interim Demands

#### **Actions**

***3.1 Purchase and run Black historical/focused community centers***

## **JOB CREATION AND SUCCESSION**

**Objective 1: Prioritize Black San Franciscans in local growth industries. Align educational, professional and economic development pathways to ensure successful outcomes across all employment levels in these industries.**

### **Actions**

***1.1 Expand Opportunities for All to include more positions in City government so that government employment represents a pathway for attaining job security.***

## **BLACK BUSINESS OWNERSHIP AND ENTREPRENEURSHIP**

**Objective 1: To support Black entrepreneurs and ensure that Black-owned businesses thrive in San Francisco.**

### **Actions**

***1.1 Invest in direct payments and training programs.***

***1.2 Tax relief and incentives: Exemptions from payroll tax and property tax; Assistance from the City with outstanding taxes to ensure that people are current on tax liabilities.***

**Objective 2: Fill funding gaps for Black entrepreneurs and expand opportunities to access capital.**

### **Actions**

***2.1 Bolster foundation (community/corporate) and San Francisco government-backed grant programs for entrepreneurs and business owners.***

***2.2 Use the City's existing Legacy Business Rent Stabilization Grant program<sup>4</sup> as a model for creating a grant/loan program for Black business owners to purchase commercial real estate.***

***2.3 Leverage the Community Reinvestment Act to offer 0%/low interest rate loans (convertible to grants) to qualifying business owners.***

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<sup>4</sup> <https://sf.gov/information/rent-stabilization-grant>

